PART I - INFORMATION ABOUT THE PLAN

1. What Is the Retirement Plan for Employees of Universities Research Association?

The Retirement Plan for Employees of Universities Research Association (the "Plan") was established on March 1, 1989, to provide retirement benefits to eligible employees. The Plan is a money purchase defined contribution plan which is intended to qualify under Section 401(a) of the Internal Revenue Code of 1986 and to meet the requirements of the Employee Retirement Income Security Act of 1974. Contributions to the Plan shall be credited to Participants' Accounts and placed in fixed-dollar annuities issued by the Teachers Insurance and Annuity Association (TIAA) and/or variable annuities offered by the College Retirement Equities Fund (CREF). TIAA is an insurance company incorporated under New York State law. It offers a traditional annuity, as well as a variable annuity, the TIAA Real Estate Account. Participants should read the TIAA Real Estate Account prospectus, which contains more information on the Account. CREF is registered with the Securities and Exchange Commission as an open-end diversified investment company with eight distinct investment portfolios: the CREF Stock Account, established in 1952; the CREF Money Market Account, established in 1988; the CREF Bond Market Account, established in 1990; the CREF Social Choice Account, established in 1990; the CREF Global Equities Account, established in 1993; the CREF Growth Account, established in 1994; the CREF Equity Index Account, established in 1994; and the CREF Inflation-Linked Bond Account established in 1997. Participants should read the CREF prospectus, which contains more complete information regarding CREF certificates. Both the TIAA Real Estate Account and the CREF prospectuses are available from the Benefits Office, 15th floor of Wilson Hall. Additional copies may be obtained by writing to TIAA-CREF, 730 Third Avenue, New York, New York 10017 or by calling 1 800 842-2733.

Each participating employee is fully and immediately vested in his or her Plan Account.

2. Who Is Eligible to Participate in the Plan?

All paid employees of Universities Research Association, Fermi National Accelerator Laboratory, who are age 21 or older are eligible for Plan participation. Not eligible for participation are persons working for URA as part of a work/study program with a College or University or Dayworkers who are employees previously retired from the employer, subsequently rehired, and scheduled to have worked less than 1,000 hours of service at the end of the Plan Year.

3. When Does Plan Participation Begin?

Each eligible employee shall be eligible to participate in the Plan as of the first day of the month coincident with or immediately following the date on which the eligible employee completes two Years of Service. (Years of Service are explained on next page.)

A former Participant whose employment terminates and who is subsequently reemployed shall re-enter the Plan as a Participant on the date of his reemployment, regardless of whether he incurred a One-Year Break in Service prior to his reemployment. Any other employee whose employment terminates and who is subsequently reemployed after incurring one or more One-Year Breaks in Service shall not receive credit for Years of Service completed prior to the One-Year Break in Service. ("One-Year Break in Service" is explained below.)

Universities Research Association, Fermi National Accelerator Laboratory, will notify each eligible employee when participation in the Plan begins. All determinations with respect to the crediting of Years of Service under the Plan are made on the basis of URA records. The Plan Administrator makes all determinations as to eligibility and Plan participation. All determinations are final.

4. *How Are Years of Service Counted?*

An eligible employee is credited with a Year of Service for each 12-month period starting with the employee's date of employment (or anniversary of date of employment) during which the employee completes 1,000 or more hours of service. In general, you are credited with an hour of service for each hour you are paid to perform duties and for each hour you are entitled to payment for reasons other than the performance of duties, such as hours on approved absences, sick leave, vacation, military service or jury duty.

5. *What Is the Effect of a One-Year Break in Service?*

If you incur a One-Year Break in Service prior to becoming a participant in the Plan and are subsequently reemployed, you will not receive credit for your prior years of service. In general, you will incur a One-Year Break in Service if you complete less than 501 hours of service during the 12-month period following your date of employment. You will not incur a One-Year Break in Service if your absence is due to the birth or adoption of your child or for caring for a child immediately following the child's birth or adoption.

Hours of Service with a Federally Funded Research and Development Center (FFRDC) or a member institution of Universities Research Association, Inc., during the twenty-four (24)-month period immediately preceding the Employees' Employment Commencement Date shall be counted as Hours of Service for purposes of determining whether an Employee has completed a Year of Service for participation under the Plan.

6. *May I Participate During an Approved Absence?*

During a paid leave of absence, Universities Research Association will continue its Plan contributions on your behalf on the basis of your salary then being paid by URA or salary from another employer where such arrangements have been made with URA, provided that you return to work for Universities Research Association after your approved leave expires.

7. *How Are Plan Contributions Made?*

Universities Research Association contributes on your behalf for each month of participation in the Plan an amount equal to 10% of your compensation for the month. If you participate in the Plan for only a part of a Plan year, the URA contribution will be based on the portion of regular salary applicable to the period in which you participated. No contributions are required of or permitted by employees.

For purposes of this Plan, "compensation" shall mean either (i) the total of all amounts paid to a Plan participant by URA for personal services as reported on Form W-2, excluding bonuses, overtime, shift premiums, reimbursements or other expense allowances, fringe benefits (cash and non-cash), moving expenses, deferred compensation, welfare benefits including terminal vacation pay, any compensation paid for services performed prior to the date an employee becomes a Plan participant, and any compensation paid for services performed after an employee ceases being a participant; or (ii) the total of all amounts paid to a participant on an approved absence by an employer for personal services rendered to that employer during any plan year as reported on that employer's Form W-2 for the participant for which such arrangements have been formally made by Universities Research Association, Inc.

The Internal Revenue Code imposes limits on the amount of compensation that the Plan can take into account. These limits increase as the cost of living increases.

8. Do Contributions Continue While I Am on Active Duty in The Armed Forces?

If you are absent from employment by reason of service in the uniformed services of the United States, once you return to actual employment, URA will make those contributions to the Plan that would have been made if you had remained employed at Universities Research Association, Fermi National Accelerator Laboratory, during your period of military service to the extent required by law.

9. When Do My Plan Contributions Become Vested (i.e., owned by me)?

You are fully and immediately vested in benefits arising from contributions under this Plan. Such amounts are nonforfeitable.

10. May I Make Extra Payments to My Annuities?

Employee pre-tax contributions made via salary reduction are not permitted under this IRS-qualified 401(a) Retirement Plan. However, URA does permit payment of additional periodic contributions via a salary reduction agreement under its voluntary Section 403(b) Supplemental Retirement Program, thus providing for deferral of taxes on these amounts within the limits of the Internal Revenue Code. For more information on this program, please contact the Benefits Office.

11. Is There a Limitation on Contributions?

Yes. The total amount that may be contributed to this Plan on your behalf and to all other defined contribution plans in which you are a participant during any year may not exceed the lesser of $30,000 or 25% of your compensation. Under certain circumstances, the $30,000 limit is subject to adjustment for increases in the cost-of-living index. Salary reduction contributions to URA's 403(b) program are not taken into account for purposes of this limitation.

12. What Retirement Benefits Will I Receive?

The monthly contributions made on your behalf are placed in retirement annuity contracts issued by TIAA-CREF. You decide how your accumulated contributions are allocated among the fixed income and investment alternatives offered by TIAA-CREF. At retirement, you will receive a lifetime annuity income based on the size of your accumulation, your age, and the retirement payment options you select.

13. How Do I Allocate Contributions Among the Available Alternatives?

TIAA and CREF offer ten alternatives for accumulating retirement income: the TIAA Traditional Annuity, the TIAA Real Estate Account and eight CREF variable accounts: the Stock, Global Equities, Money Market, Bond Market, Social Choice, Equity Index, Growth and Inflation-Linked Bond Account. You may allocate contributions among these alternatives in any whole-number proportion, including full allocation to any one of them. You enter the percentage of contributions to be directed to either TIAA account and/or the eight CREF accounts on the "Application for Retirement Annuity Contracts" when you begin participation. You may change your allocation of future contributions at any time after participation begins.

You may also transfer amounts from any of the eight CREF accounts to either TIAA alternative or among the CREF accounts. You may also transfer amounts from the TIAA Real Estate Account to any of the CREF accounts or to the TIAA Traditional Annuity. Transfers from the TIAA Traditional Annuity to CREF or to the TIAA Real Estate Account can only be made over a ten-year period using a Transfer Payout Annuity (TPA). (See page 12 for more information about the transfer options and TPA.)

You can change allocations and make transfers by calling TIAA-CREF's Automated Telephone Service (ATS) at 1 800 842-2252, 24 hours a day, seven days a week (a voice-activated recording service is available during non-business hours). You can also make these transactions through the Internet, using TIAA-CREF's Inter/ACT service at www.tiaa-cref.org.

Along with your Retirement Annuity contract, you will be sent a Personal Identification Number (PIN) so that you can use the ATS for your transactions. To use the Internet, you'll need to change this PIN to a customized PIN for additional security. *For more information on your TIAA and CREF allocation options, please see pages 10 through 13 of this booklet.*

14. What Is the Normal Retirement Date Under the Plan?

The Normal Retirement Age under the Plan is the date on which you attain age 65. Annuity income generally begins on that date or as soon thereafter as practical. You may begin to receive your annuity income at any time after you terminate employment, which may be either earlier or later than your normal retirement date. However, retirement benefits must normally start to be received by the later of: April 1st of the year following the year in which you reach age $70^1/_2$, or April 1 following the calendar year in which you retire.

15. When Does My Annuity Begin?

When you retire, you may receive benefits under any of the income options available under TIAA and CREF Retirement Annuities. TIAA and CREF will automatically contact you several months prior to the date on your annuity application on which you scheduled annuity income payments to begin. You may decide, however, to begin receiving an income at an earlier date, in which case you should notify TIAA and CREF about two months in advance of that date.

If you terminate service with Universities Research Association for reasons other than retirement or death, the full value of your TIAA and CREF accumulations as of the date you cease employment will be payable under the TIAA and CREF retirement income options you elect. Spousal consent may be required. You may not receive retirement benefits while still employed by URA unless you are a former participant whose employment terminated and are subsequently re-employed or are participating in URA's phased retirement plan.

16. *What Options Are Available for Receiving Retirement Income?*

Just before you retire, you will choose from among several types of income options available. If you are married at the time you elect to begin annuity income, your right to choose an income option may be subject to your spouse's right, under federal pension law, to be named as Second Annuitant under a Survivor Annuity Option. The following options are available:

Cash Withdrawals. You may elect a cash distribution from your TIAA* and CREF Retirement Annuities if all of the following conditions are met:

- You must have terminated employment;
- You must be at least age 55, and your combined age and service must be greater than or equal to 65;
- You must have met a minimum service requirement of 3 years.

A Single Life Annuity is designed to pay you an income for as long as you live. This option provides a larger monthly income for you than other options, with all payments ceasing at your death. The option is also available with a 10-, 15-, or 20-year guaranteed payment period (but not exceeding your life expectancy at the time annuity income begins). If you die during the guaranteed period, payments in the same amount that you would have received continue to your beneficiary for the rest of the guaranteed period.

A Survivor Annuity pays you a lifetime income, and, if your spouse (or other Second Annuitant) lives longer than you, he or she continues to receive an income for life. The amount continuing to the survivor depends on which of these three options you choose.

1. *Two-thirds Benefit to Survivor.* At the death of either you or your Second Annuitant, the payments are reduced to two-thirds the amount that would have been paid if both had lived, and are continued to the survivor for life.
2. *Full Benefit to Survivor.* The full income continues as long as either you or your Second Annuitant is living.
3. *Half Benefit to Second Annuitant.* The full income continues as long as you live, and if your Second Annuitant survives you, he or she receives for life one-half the income you would have received if you had lived. If your Second Annuitant dies first, the full income continues to you for life.

Each of these three survivor options is also available with a 10-, 15-, or 20-year guaranteed payment period. If both you and your Second Annuitant die during the 10-, 15-, or 20-year period selected, the two-thirds, full, or half benefit, as selected, continues to your named beneficiary for the remainder of the guaranteed period. Depending on your age and your Second Annuitant's or beneficiary's age, the availability of a guaranteed period may be limited under federal tax law. TIAA-CREF will notify you of these limitations when you elect to begin annuity income.

*Withdrawals from TIAA Traditional Retirement Annuity accumulations can only be made using a Transfer Payout Annuity (TPA) contract. Withdrawals will take place over a ten-year period, in substantially equal installments including principal and interest, plus periodically declared dividends. The minimum amount that may be withdrawn is $10,000, or your entire TIAA accumulation if it totals less than $10,000. Once your TPA contract has been issued, it can neither be revoked nor the amount changed, although you can withdraw additional amounts by starting another TPA. Each TPA will have its own ten-year payment schedule with payments made on the anniversary of your election. You can also make an immediate withdrawal of up to 10% of the total TPA amount.

Unless one of the options above is specifically elected, married participants will automatically receive benefits under the Half Benefit to Second Annuitant and unmarried participants will receive benefits under the Single Life Annuity.

Fixed-Period Payouts

You can receive your CREF or TIAA Real Estate Account income in payments over a fixed period from 2 to 30 years. If you die during the period, payments can either continue to your beneficiary for the rest of the period, or be paid in a lump sum. Your choice of fixed periods is subject to federal tax law, depending on your age and that of your beneficiary.

You can receive fixed-period payments from your TIAA Traditional Annuity accumulation over a 10-year period. You will receive approximately 10% of your initial TIAA accumulation each year. The minimum TIAA accumulation that can be paid out over a 10-year period is $10,000 (or your entire accumulation if less.)

Retirement Transition Benefit. The Retirement Transition Benefit permits you to receive an immediate one-sum payment of up to 10% of your TIAA or CREF accumulations at the time you start to receive your annuity income regardless of your age or service duration. The distribution cannot exceed 10% of the account's accumulation then being converted to annuity payments. Federal pension law may require your spouse's written consent to the election of the Retirement Transition Benefit or verification that your spouse cannot be located or that you are not married. The Retirement Transition Benefit may be subject to a 10% additional tax if it is received as an early withdrawal prior to age 55.

The TIAA Interest Payment Retirement Option (IPRO). IPRO enables you to receive monthly interest income payments from TIAA and delay the receipt of full annuity payments until April 1 of the year after you reach age 70½ or, if later, April 1 following the calendar year in which you retire. If you die while receiving IPRO payments, your beneficiary will receive your starting accumulation and any interest earned, but not yet paid.

To start using IPRO, you must be between the ages of 55 and 69½ and have a minimum TIAA accumulation of $10,000. Once started, IPRO payments must continue for at least twelve months.

Systematic Withdrawals. You can elect to receive your cash withdrawal of CREF and the TIAA Real Estate Account accumulations through a series of systematic payments using TIAA-CREF's Systematic Withdrawal Service. This service allows you to specify the amount and frequency of payments. Currently, the initial amount must be at least $100 per account. Once payments begin, they will continue for the period you specify. You can change the amounts and frequency of payments, as well as stop and restart payments as your needs dictate. There is no charge for this service.

The TIAA-CREF Minimum Distribution Option. Federal law requires that people in tax-favored plans begin receiving benefits or making withdrawals by April 1 after the year they reach 70½ or by April 1 following the calendar year in which they retire, whichever is later. Under the Minimum Distribution Option, TIAA will pay the minimum amount of income the Internal Revenue Service requires each year without converting your accumulation into a lifetime annuity. For more information about this option, please call 1 800 842-2733, ext. 5509, and ask for a brochure.

NOTE: Retirement Transition Benefits, cash withdrawals, and IPRO payments may be subject to the 10% penalty tax mentioned on page 13 if received before age 59½. Lifetime annuity payments are not subject to this tax.

17. What If I Die Before Starting to Receive Benefits?

The full current value of your annuity accumulation is payable as a death benefit if you die before your annuity starting date. Your beneficiary or you may choose one or more of the following options listed in your annuity contracts, for payment of the death benefit. Leaving the method of payment decision to your beneficiary provides your beneficiary with greater flexibility to receive benefits as needed. The options are:

1. Income for the lifetime of the beneficiary with payments ceasing at his or her death;

2. Income for the lifetime of the beneficiary, with a minimum number of payments guaranteed in any event, the period of guaranteed payments being either 10, 15, or 20 years, as selected;

3. Income for a fixed period of not less than 2 nor more than 30 years (but not greater than the beneficiary's life expectancy) as elected;

4. A minimum distribution option for beneficiaries that pays the required federal minimum distribution each year; or

5. The accumulation may be left on deposit for later payment under any of the above options for a period not greater than one year.

A single-sum payment is also available. A single sum *must* be paid if you are not married and your beneficiary is your estate, a corporation, association, or other entity not a natural person. If you die while in the course of a TIAA Transfer Payout Annuity (see page 13), your beneficiary can complete the ten-year schedule, receive the commuted value of the remaining payments in a lump sum, or convert the remainder into a TIAA annuity.

Current federal tax law puts limitations on when and how beneficiaries receive their death benefits. Your beneficiary will be notified of the applicable requirements at the time he or she applies for benefits.

You should review your beneficiary designation periodically to make sure that the person or persons you want to receive the benefits are properly designated. You may change your beneficiary by completing the "Designation of Beneficiary" form available from the Benefits Office. However, please see the "What Are My Spouse's Rights Under This Retirement Plan?" section (page 9) for a discussion of your spouse's rights to a survivor benefit if you are married at the time of your death. In the event that you die without having named a beneficiary and you are married, your spouse will automatically receive at least 50% of your annuity accumulation. If there is no spouse, your estate receives the entire accumulation.

18. What If I Leave Universities Research Association, Fermi National Accelerator Laboratory?

Your Retirement Annuities may remain in force. You do not forfeit any of the benefits that have already been set aside for you. Your accumulation in the TIAA Traditional Annuity will continue to be credited with the same interest and dividends as it would have been had contributions continued. Likewise, your CREF and TIAA Real Estate Account accumulations will continue to participate in the market experience as they would have had contributions continued.

You also may be able to receive the full value of your accumulation in a single sum when you terminate your employment with URA; if the TIAA Retirement Annuity accumulation is not over $2,000, the total TIAA-CREF Retirement Annuity accumulation is not over $4,000, and you do not have a TIAA Transfer Payout Annuity (TPA) in force. These conditions will apply to employees whose first TIAA-CREF Retirement Annuities are issued on or after January 1, 1992.

Repurchased benefits may be subject to the 10% additional tax described on page 13.

19. What Are My Spouse's Rights Under This Retirement Plan?

Benefits may be paid to married Participants in the Plan only as described below, unless a written waiver of the benefit by the Participant and a written consent to the waiver by the spouse are filed with TIAA and CREF. This provision applies to both retirement benefits and death benefits.

At your death, your spouse shall receive an annuity income that is at least 50% of the annuity income payable during the joint lives of you and your spouse (joint and survivor annuity). If you die before annuity income begins, your spouse shall receive a benefit that is at least 50% of the full current value of your annuity accumulation (preretirement death benefit), payable in a single sum or under one of the income options offered by TIAA and CREF.

You and your spouse may waive the spousal entitlement to a joint and survivor annuity or a preretirement death benefit only if a written waiver of the benefit signed by you and your spouse is filed with TIAA and CREF. The necessary forms will be provided to you, your spouse or your beneficiary by TIAA and CREF.

For postretirement survivor benefits (joint and survivor annuity), the waiver may be made only during the 90-day period before the commencement of benefits. The waiver may also be revoked during the same period. It may not be revoked after annuity income begins.

The period during which you and your spouse generally may elect to waive the preretirement survivor death benefit begins on the first day of the plan year in which you attain age 35 and continues until the earlier of your death or the date you start receiving annuity income. In the event that you die before attaining age 35 — i.e., before you have had the option to make a waiver — at least half the full current value of the annuity accumulation is payable automatically to your spouse in a single sum or under one of the income options offered by TIAA and CREF. If you terminate employment before age 35, the period for waiving the preretirement death benefit begins no later than the date of termination. The waiver may also be revoked during the same period.

You will be provided with a written notice explaining the preretirement death benefit, your spouse's right to consent to a waiver of this benefit and your right to revoke the waiver. The written notice will be provided to you prior to the period during which you may elect to waive the preretirement death benefit.

In the event that a judgment, decree or order establishes the rights of another person (the "alternate payee") to your benefits under this plan, and where such order, hereafter called a "qualified domestic relations order," is for the purpose of providing child support, alimony or other marital property payments, payments will be made in accordance with that order. If a court issues a qualified domestic relations order, such order preempts the usual requirement that your spouse be considered your primary beneficiary for a portion of the accumulation.

20. *What Is the Deadline for the Start of Benefits?*

You must normally start to receive retirement benefits no later than April 1 of the year following the calendar year in which you attain age $70^1/_2$ or April 1 following the calendar year in which you retire, whichever is later. If you die before the distribution of benefits has begun, your entire interest must normally be distributed within 5 years after your death. Under a special rule, death benefits may be payable over the life or life expectancy of a designated beneficiary provided the distribution of benefits begins not later than 1 year from the date of your death. If the designated beneficiary is your spouse, the commencement of benefits may be deferred until you would have attained age $70^1/_2$ had you continued to live.

The payment of benefits in accordance with the above rules is extremely important. Federal tax law imposes an excise tax on the differences between the amount of benefits required by law to be distributed and the amount actually distributed. Before you elect a distribution from the plan, you should check with your professional tax advisor for more information on the tax consequences of receiving a distribution.

PART II - INFORMATION ABOUT THE FUND SPONSORS

1. *How Do TIAA and CREF Retirement Annuities Work?*

TIAA

Traditional Annuity

Contributions to a TIAA Traditional Retirement Annuity are used to purchase a contractual or guaranteed amount of future retirement benefits for you. Once purchased, the guaranteed benefit of principal plus interest cannot be decreased, but it can be increased by dividends. Dividends, when declared, remain in effect through the end of the "dividend year," which begins each March 1. Once you begin receiving annuity income, your accumulation will be used to provide an income consisting of the contractual, guaranteed amount plus dividends which are declared periodically and which are not guaranteed for future years.

TIAA Real Estate Account

The TIAA Real Estate Account is a separate variable annuity offered by TIAA. It seeks a favorable long-term rate of return through rental income and capital appreciation from a diversified portfolio of commercial real estate. The account seeks to invest 70% - 95% of its assets in income-producing properties, such as office buildings, retail centers, and multifamily residential properties, primarily in the U.S. The remainder of the portfolio will consist of liquid assets, such as money market instruments. As with all variable annuities, accumulations and returns for this account are not guaranteed and will vary with investment performance.

CREF

Contributions to any of the eight CREF accounts are used to buy Accumulation Units, or shares of participation in the account's portfolio. The value of CREF Accumulation Units reflects the CREF account portfolio's net total return: market value changes plus investment income (less investment, administrative and distribution expenses). Therefore, the CREF accounts' investment income and capital value changes will affect the value of the Accumulation Units already owned. During your retirement, each CREF account in which you participate pays you, each month, the then-current value of your annuity units — your retirement shares in the CREF account. The number of annuity units to be "paid out" to you each month is determined actuarially when you begin annuity income and remains the same thereafter. The dollar amount you receive changes from year to year, sometimes considerably, primarily reflecting changes in the market prices and/or of the CREF account's portfolio. As with all variable annuities, accumulations and returns for these accounts are not guaranteed and will vary with investment performance.

You have the flexibility to accumulate retirement benefits in eight separate accounts:

- ***The CREF Money Market Account***
  The CREF Money Market Account invests in short-term debt instruments, like commercial paper, to keep pace with inflation. While yields will fluctuate in response to market conditions, the possibility of losing principal is very low. The CREF Money Market Account is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other U.S. government agency.
- ***The CREF Bond Market Account***
  The CREF Bond Market Account holds primarily high- and medium-quality fixed-income securities — bonds of many different companies or government agencies — all with varying maturities. The bonds are often actively bought and sold rather than held to maturity. The value of the portfolio is sensitive to interest rate changes; total returns will tend to be relatively stable when interest rates are stable. Generally, the portfolio value will likely increase when interest rates fall, and decrease when interest rates rise.
- ***The CREF Inflation-Linked Bond Account***
  The CREF Inflation-Linked Bond Account, introduced in May 1997, has as its objective capital preservation and inflation protection. It invests in inflation-indexed bonds issued by the U.S. Treasury, corporate entities, foreign governments and other instruments consistent with the account's overall objective.
- ***The CREF Social Choice Account***
  The CREF Social Choice Account is a balanced fund, diversified among stock, bond, and money market investments. The account has a special focus, for those seeking investment returns that reflect the performance of the financial markets overall, while giving special consideration to certain social criteria screens. Currently, the account does not invest in companies that fail to adhere to sound environmental policies and practices; certain companies with operations in Northern Ireland*; and companies that have significant involvement in weapons manufacturing, produce and market alcoholic beverages or tobacco products, or produce nuclear energy.

*This includes companies that have not (1) adopted the MacBride Principles, a code of fair employment practices for U.S. firms operating in Northern Ireland concerned with preventing religious discrimination in employment, or (2) conducted business consistent with such principles and in compliance with the Fair Employment (Northern Ireland) Act of 1989.

- ***The CREF Stock Account***
  The CREF Stock Account is the largest singly managed equity fund in the world, based on assets under management. Its returns tend to be close to those of the stock markets in which it is invested. Currently, about two-thirds of the portfolio is indexed and the remaining third is actively managed to identify companies with above-average investment potential. About half of the actively managed portion is invested in non-U.S. stocks. Like prices in the stock market, the value of the account will fluctuate. However, its broad diversification among thousands of different stocks helps temper risk from adverse developments in any one sector of the market.

- ***The CREF Global Equities Account***
  The CREF Global Equities Account is an actively managed account that enables you to participate in stock markets around the world — including the U.S. — for diversification and growth potential. It usually invests 55% to 65% of its portfolio in foreign stocks, though this may vary with market conditions.

  Because foreign market cycles can run counter to domestic ones, global holdings can be especially helpful in reducing volatility. A large percentage of investments are in countries with well-established markets, like Japan, the United Kingdom, and Germany. Developing nations are also considered on the basis of their potential. Foreign stock markets are subject to additional risks from changing currency values, interest rates, government regulations and political and economic conditions.

- ***The CREF Equity Index Account***
  The CREF Equity Index Account encompasses almost the entire range of domestic stock investments, large and small companies alike. Using as its benchmark the Russell 3000®, a broadly based index of U.S. common stocks, the account invests in a sample of stocks selected to track the index's returns. The account may not always have the same return as the index, but it is expected to be very close. Index accounts are attractive to those who believe that investing in a very diversified portfolio of domestic stocks is the best and most economical way to achieve long-term growth.

- ***The CREF Growth Account***
  The CREF Growth Account is an actively managed account that seeks favorable long-term returns from a portfolio of stocks CREF believes are poised for superior growth in light of economic and market conditions. The portfolio will therefore contain stocks issued by companies of all sizes, including firms in emerging areas of the economy and companies with distinctive products or promising market conditions. The account may also invest in foreign stocks.

Transferring Money Among TIAA and the CREF Accounts

You can transfer accumulations among the CREF variable accounts, from CREF to TIAA Real Estate and to TIAA Traditional at any time, as long as the minimum transfer is $1,000 or the entire account balance if less. Transfers can be made until the date annuity income begins and are free of charge.

You can make transfers among the above TIAA-CREF accounts by calling TIAA-CREF's Automated Telephone Service at 1 800 842-2252, or through the Internet using TIAA-CREF's Inter/ACT service at www.tiaa-cref.org.

Because of the long-term nature of their underlying investments, transfers from the variable TIAA Real Estate Account and TIAA Traditional must be made more gradually. You can transfer accumulations from the Real Estate Account once each quarter, with a minimum transfer of $1,000 or the entire account balance if less. Transfers from TIAA Traditional must be made in ten equal payments over a ten-year period through a Transfer Payout Annuity (TPA). The minimum TPA transfer is $10,000 or the entire account balance if less. If your total TIAA Traditional accumulation is $2,000 or less, you can transfer the entire amount in a single sum.

To transfer from TIAA Real Estate or TIAA Traditional to any of the CREF accounts, call TIAA-CREF's Telephone Counseling Center at 1 800 842-2776.

2. *How Are My Benefits Taxed?*

A distribution from this plan will be taxed as you receive it. Generally, income from this plan is subject to ordinary income tax and possibly to an excise tax if the distribution exceeds a certain amount. Distributions received before age $59^1/_2$ are also subject to a 10% additional tax unless one of several exceptions applies. However, your distribution may also be eligible for the direct rollover option described below.

Effective January 1, 1993, the plan permits you to directly roll over any distribution from the plan to any eligible retirement plan, if that eligible retirement plan permits. An eligible retirement plan is generally another qualified plan or an individual retirement arrangement. If you elect to take a distribution from the plan that is subject to the direct rollover option and fail to exercise that option, twenty (20) percent of the distribution will be withheld for the purpose of paying income taxes, and other adverse income tax consequences that may arise.

Before you elect a distribution from the plan, you should check with your professional tax advisor for more information on the tax consequences of receiving a distribution.

3. *May I Begin My TIAA and CREF Retirement Annuity Income at Different Times?*

Yes. Once you are entitled to a distribution under the plan and you decide to receive your benefits as income, you have the flexibility to begin income from TIAA and each CREF account on different dates. And you may begin income from each annuity or account on more than one date provided that you begin income from at least $10,000 of accumulation from TIAA or the CREF account begun on that date.

4. *May I Receive My TIAA and CREF Accumulations Under Different Income Options?*

Yes. You can elect to receive income from your TIAA or CREF accumulations under more than one income option to meet your specific retirement needs. However, you must begin income from at least $10,000 of accumulation under each option.

5. *What Information Do I Regularly Receive About My Retirement Annuities?*

The annual Annuity Benefits Report that TIAA and CREF send to policyholders shows the total accumulation value at year-end for your Retirement Annuities, which is the amount of death benefits your spouse or other beneficiary would have received on that date. It also includes an illustration of the annuity income you would receive at retirement based on stated assumptions as to future premiums, your retirement age, the income option and payment method selected, TIAA Traditional Annuity dividends and the investment experience of the seven CREF accounts and the TIAA Real Estate Account. All of these factors affect the amount of your retirement income.

In addition to the Annuity Benefits Report, TIAA and CREF will send you a Quarterly Confirmation of Transactions Report for each set of Retirement Annuities you own. You will also receive Premium Adjustment Notices. These notices summarize any adjustments made to the annuities and are sent at the time the adjustments are processed.

You will also periodically receive *The Participant*, which reports on various issues, such as legislative developments and changes in TIAA and CREF procedures that will have an impact on your annuities. In addition, once a year you will receive the TIAA-CREF Annual Report, which details the TIAA Traditional Annuity interest rate and CREF and TIAA Real Estate Account investment results. You will also receive TIAA-CREF quarterly updates.

PART III - ADDITIONAL INFORMATION

1. How Is the Plan Administered?

The Retirement Plan is funded through annuity contracts between TIAA and CREF and individual Plan Participants. The Plan Administrator is to be responsible for enrolling Participants, forwarding Plan contributions for each Participant to the fund sponsor selected by the Participant, and performing other duties required for the operation of the Plan.

2. May the Terms of the Retirement Plan Be Changed?

While it is expected that the Plan will continue indefinitely, Universities Research Association reserves the right in its sole discretion to modify or terminate the Plan at any time.

3. What is the Plan's Claims Procedure?

The following rules describe the claims procedure under the Plan:

- ***Filing a claim for benefits:*** A claim or request for plan benefits is filed when the requirements of a reasonable claim-filing procedure have been met. A claim is considered filed when a written communication is made to: Plan Administrator, Retirement Plan for Employees of Universities Research Association, P.O. Box 500 Batavia, IL 60510.
- ***Processing the claim:*** The Plan Administrator must process the claim within 90 days after the claim is filed. If an extension of time for processing is required, written notice must be given to you before the end of the initial 90-day period. The extension notice must indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render its final decision. In no event can the extension period exceed a period of 90 days from the end of the initial 90-day period.

- ***Denial of claim:*** If a claim is wholly or partially denied, the Plan Administrator must notify you within 90 days following receipt of the claim (or 180 days in the case of an extension for special circumstances). The notification must state the specific reason or reasons of the denial, specific references to pertinent plan provisions on which the denial is based, a description of any additional material or information necessary to perfect the claim, and appropriate information about the steps to be taken if you wish to submit the claim for review. If notice of the denial of a claim is not furnished within the 90/180-day period, the claim is considered denied and you must be permitted to proceed to the review stage.
- ***Review procedure:*** You or your duly authorized representative has at least 60 days after receipt of a claim denial to appeal the denied claim to an appropriate named fiduciary or individual designated by the fiduciary and to receive a full and fair review of the claim. As part of the review, you must be allowed to review all plan documents and other papers that affect the claim and must be allowed to submit issues and comments and argue against the denial in writing.
- ***Decision on review:*** The Plan must conduct the review and decide the appeal within 60 days after the request for review is made. If special circumstances require an extension of time for processing (such as the need to hold a hearing if the plan procedure provides for such a hearing), you must be furnished with written notice of the extension, which can be no later than 120 days after receipt of a request for review. The decision on review must be written in clear and understandable language and must include specific reasons for the decision as well as specific references to the pertinent plan provision on which the decision is based. If the decision on review is not made within the time limits specified above, the appeal will be considered denied. All interpretations, determinations, and decisions of the reviewing entity with respect to any claim will be its sole decision based upon the Plan documents and will be deemed final and conclusive. If appeal is denied, in whole or in part, however, you have a right to file suit in a state or federal court.

4. May My Benefits Be Transferred?

You are not permitted to sell, trade or assign your benefits under the Plan. However, if a Court Order in a divorce or family support lawsuit satisfies the Internal Revenue Code's requirements and so directs, the Plan Administrator may be required to pay all or a part of your benefits to a person other than you or your beneficiary.

5. Does the Plan Guarantee My Employment?

Under no circumstances does the maintenance of the Plan constitute a contract of employment. In addition, the provisions of this Summary Plan Description do not constitute a contractual agreement as to the terms and conditions of your employment with Universities Research Association.

6. What Are My Rights Under the Law?

As a Participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants are entitled to:

1. Examine, without charge, at the Plan Administrator's office all documents, including insurance contracts, and copies of all documents filed by the Plan with the U.S. Department of Labor, such as annual reports and Plan descriptions.

2. Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Administrator may make a reasonable charge for the copies.

3. Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each Participant with a summary of the Plan's financial report.

4. Obtain a statement telling you whether you have a right to receive a pension at the normal retirement age of 65 and, if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once a year. The Plan must provide the statement free of charge.

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA. If your claim for a pension benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file a suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits which is denied or ignored in whole or in part, you may file suit in a state or federal court.

If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous. If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Area Office of the U.S. Labor Management Services Administration, Department of Labor.

7. Are Benefits Guaranteed?

Benefits are not guaranteed by the Pension Benefit Guaranty Corporation. PBGC requirements do not apply to this Plan.